

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
GLOBAL RESELLER EXPEDITED PACKAGE CONTRACTS 2
(MC2013-51 AND CP2013-64)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2016-89

**NOTICE OF THE UNITED STATES POSTAL SERVICE OF FILING MODIFICATION
ONE TO A GLOBAL RESELLER EXPEDITED PACKAGE CONTRACTS 2
NEGOTIATED SERVICE AGREEMENT**
(December 23, 2016)

The agreement that is the subject of this docket is set to expire January 31, 2017.¹ Attached to this notice is Modification One, which the customer and the Postal Service have executed and intend to go into effect upon filing. The modification amends Article 11 and replaces Annexes 1 and 2 of the agreement. The revised Article 11 states that the agreement will expire February 28, 2018, unless terminated pursuant to Articles 12 or 13. The replacement Annexes 1 and 2 include revised rates.

A redacted version of the modification and a redacted version of the certified statement required by 39 C.F.R. §3015.5(c)(2) are filed as Attachments 1 and 2 respectively. In addition, the Postal Service is filing in separate Excel files redacted versions of the revised supporting financial documents for the contract that is the subject of this docket.

With respect to the non-public version of the modification, certified statement and the revised financial workpapers that are filed under seal, the Postal Service

¹ Order Approving Additional Global Reseller Expedited Package Services 2 Negotiated Service Agreement, PRC Docket No. CP2016-89, January 8, 2016.

incorporates by reference the application for non-public treatment that was filed in conjunction with the Postal Service's December 29, 2015, notice in this docket.²

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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Chief Counsel
Global Business and Service Development
Corporate and Postal Business Law Section

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Susan J. Walker
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December 23, 2016

² Notice of United States Postal Service of Filing a Functionally Equivalent Global Reseller Expedited Package 2 Negotiated Service Agreement, Docket No. CP2016-89, December 29, 2015, Attachment 4.

**MODIFICATION ONE TO THE
GLOBAL CUSTOMIZED MAIL AGREEMENT BETWEEN
THE UNITED STATES POSTAL SERVICE AND**

[REDACTED]

This Modification amends the Global Customized Mail Agreement ("Agreement") between [REDACTED] ("Reseller") with offices at [REDACTED] and the United States Postal Service ("USPS"), an independent establishment of the Executive Branch of the United States Government, with offices at 475 L'Enfant Plaza SW, Washington, DC 20260-9998, signed by the Reseller on December 17, 2015, and signed by the USPS on December 18, 2015. The Reseller and the USPS may be referred to individually as a "Party" and together as the "Parties."

The purpose of this Modification is to make the following two changes to the Agreement.

First, Article 11 Term of the Agreement shall now read as follows:

11. Term of the Agreement. The USPS will notify the Reseller of the Effective Date of the Agreement within thirty (30) days after receiving the approval of the entities that have oversight responsibilities for the USPS. The Agreement shall remain in effect until 11:59 p.m. on February 28, 2018, unless the Agreement is terminated sooner pursuant to Article 12 or Article 13.

Second, Annex 1 and Annex 2 of the Agreement are replaced by the revised Annex 1 and revised Annex 2, respectively, attached to this Modification.

The USPS will notify the Reseller of the Effective Date of this Modification as soon as possible, but no later than thirty (30) days, after receiving the approval of the entities with oversight responsibilities for the USPS.

All other terms and conditions of the Agreement shall remain in force.

The Parties acknowledge and understand that all obligations of the USPS under this Modification shall be contingent on the USPS receiving approvals (hereinafter "Conditions Precedent") from one or more internal and external bodies that have oversight responsibilities. Conditions Precedent may include, but are not limited to: approvals or, if applicable, non-objection, from responsible USPS management officials, the USPS Board of Governors, the USPS Governors, the Postal Regulatory Commission, and/or any other governmental body with oversight responsibility for the USPS. The Parties acknowledge that this Modification may not be approved by such individuals or bodies. Until such time that all Conditions Precedent are fulfilled that are necessary to allow the USPS to provide the products or services contemplated under this Modification, no obligation shall exist for the USPS and no benefit shall inure to either Party. In the event that the Conditions Precedent are not fulfilled, the USPS shall have no liability, which shall include no obligation to pay costs associated with any action taken by the Reseller prior to the Effective Date of this Modification. Further, in the event of termination of the Agreement or the failure of any Condition Precedent, the USPS shall not be held liable for any damages including, without limitation, actual, special, indirect, incidental, punitive, consequential, or any other damages, which shall include but not be limited to damages for loss of business profits; business interruption; any other loss; and/or any costs incurred by either Party attributable to such non-approval such as attorney's fees.

The Reseller acknowledges that the Modification and supporting documentation will be filed with the Postal Regulatory Commission ("Commission") in a docketed proceeding (CP2016-89). The Reseller authorizes the USPS to determine the scope of information that must be made publicly available in any Commission docketed proceeding in which information related to this Modification must be filed. The Reseller further understands that any unredacted portion of the Modification or supporting information will be available on the Commission's public website, <http://www.prc.gov>. In addition, the USPS may be required to file information in connection with this Modification (including revenue, cost or volume data) in other Commission dockets, including the Commission docket number for the Annual Compliance Report (ACR) for the USPS fiscal year(s) in which the Agreement is in effect. Each ACR docket has a distinct docket number, such as ACR201#, in which ACR201# signifies the USPS fiscal year to which the ACR pertains. The Reseller has the right, in accordance with the Commission's rules, to address its confidentiality concerns directly with the Commission. The procedure for making an application to the Commission for non-public treatment of materials believed to be protected from disclosure is found at Title 39, Code of Federal Regulations, Section 3007.22 found on the Commission's website at <http://prc.gov/Docs/63/63467/Order225.pdf>.

The Parties may execute this Modification in one or more counterparts (including by facsimile or by electronic means such as .pdf format). Not all Parties need be signatories to the same document. All counterpart signed documents shall be deemed an original and one instrument.

In witness whereof, this Modification is deemed executed on the latter of the two dates accompanying the Parties' signatures.

ON BEHALF OF THE UNITED STATES POSTAL SERVICE:



Signature:

Name:

Title:

Date:

DocuSigned by:
Don Ross
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DON ROSS

Executive Director International Sales

December 21, 2016

ON BEHALF OF

Signature:

Name:

Title:

Date:

December 20, 2016

REVISED ANNEX 1 PRICES FOR PRIORITY MAIL EXPRESS INTERNATIONAL AND PRIORITY MAIL INTERNATIONAL

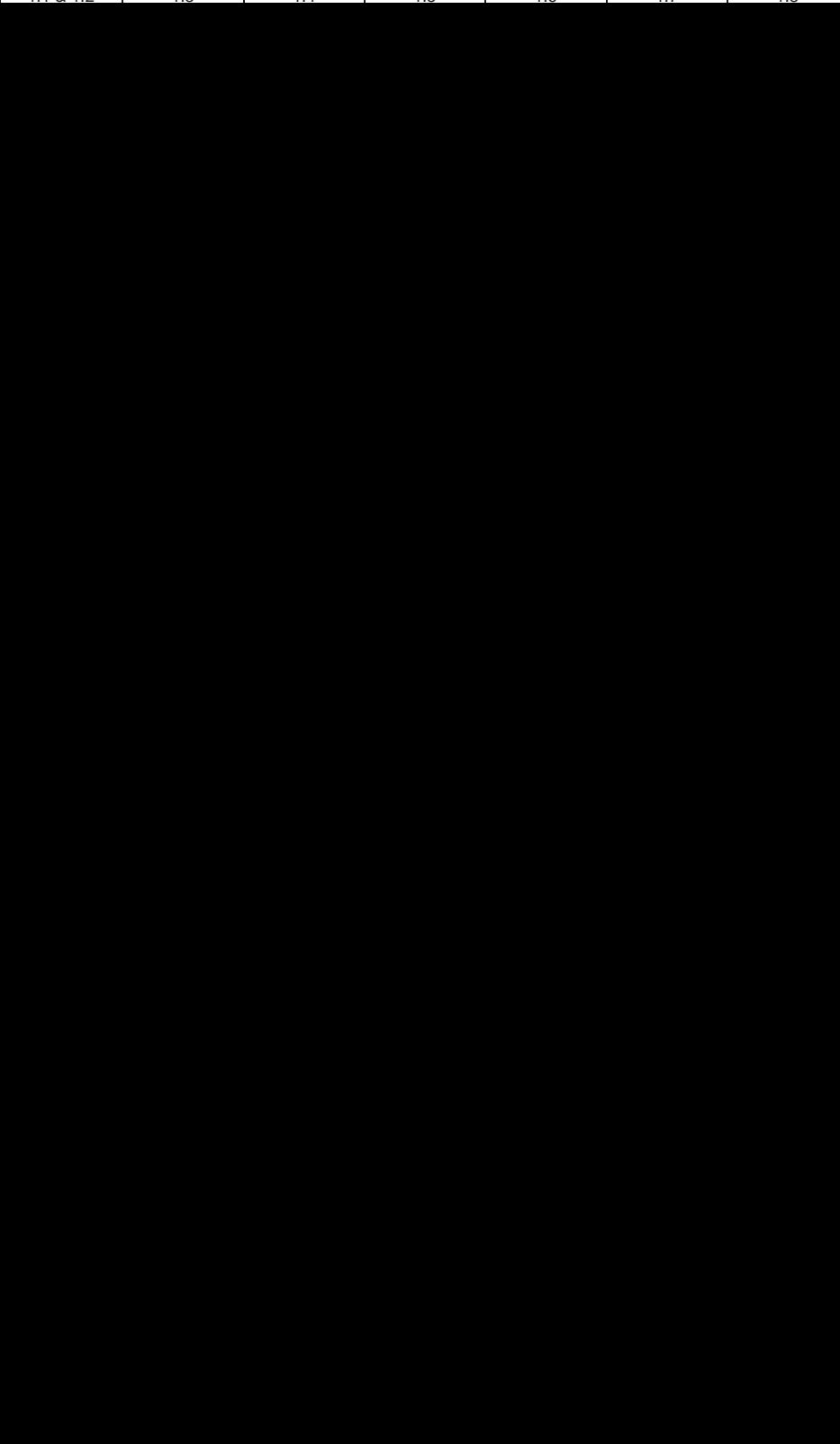
REVISED ANNEX 2 PRICES FOR FIRST-CLASS PACKAGE INTERNATIONAL SERVICE

ANNEX 1 CHART A
PRICES IN UNITED STATES DOLLARS FOR PRIORITY MAIL EXPRESS INTERNATIONAL
RATES FOR COUNTRY GROUPS 1-17

Weight Not Over (LBS)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
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ANNEX 1 CHART B
PRICES IN UNITED STATES DOLLARS FOR PRIORITY MAIL INTERNATIONAL
RATES FOR COUNTRY GROUP 1

Weight Not Over (LBS)	Origin Zone 1.1 & 1.2	Origin Zone 1.3	Origin Zone 1.4	Origin Zone 1.5	Origin Zone 1.6	Origin Zone 1.7	Origin Zone 1.8
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Confidential

ANNEX 1 CHART C
PRICES IN UNITED STATES DOLLARS FOR PRIORITY MAIL INTERNATIONAL
RATES FOR COUNTRY GROUPS 2-17

Weight Not Over (LBS)	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
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ANNEX 2
PRICES IN UNITED STATES DOLLARS FOR FIRST-CLASS PACKAGE INTERNATIONAL SERVICE
RATES FOR COUNTRY GROUPS 1-9

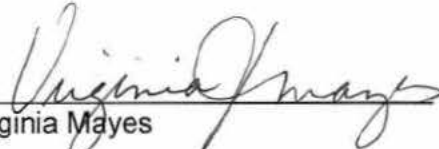
Weight Not Over (Oz)	Price Group 1	Price Group 2	Price Group 3	Price Group 4	Price Group 5	Price Group 6	Price Group 7	Price Group 8	Price Group 9
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Certification of Prices for the Global Reseller Expedited Package 2 Contract with [REDACTED]

I, Virginia Mayes, Manager of Cost Attribution in Regulatory Reporting and Cost Analysis, Finance Department, United States Postal Service, am familiar with the prices for the Global Expedited Package Services Contract with [REDACTED]. The prices contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Global Expedited Package Services Contracts, issued March 22, 2011 (Governors' Decision No. 11-6), which established prices by means of price floor and ceiling formulae.

I hereby certify that the numerical cost values underlying the prices in the [REDACTED] contract are the appropriate costs to use in the formulae and represent the best available information. The prices, resulting in a cost coverage of in excess of the minimum required by the Governors' Decision, exclusive of pickup on demand and international ancillary services fees, are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). The prices demonstrate that the Contract should cover its attributable costs and preclude the subsidization of competitive products by market dominant products. International competitive mail accounts for a relatively small percentage of the total contribution by all competitive products. Contribution from Global Expedited Package Services Contracts should be even smaller. The Agreement with [REDACTED] should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.


Virginia Mayes